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MINERAL INDUSTRY SURVEYS

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PRECIOUS METALS IN MARCH 1997

Domestic

U.S. mines produced 27,100 kilograms of gold and 128,000 kilograms of silver in March 1997.

Newmont Mining Corp., not Homestake Mining Co., merged with Santa Fe Pacific Gold Corp. Santa Fe paid Homestake \$65 million in order to accept the Newmont offer. This new merger agreement created the largest gold company in North America (American Metal Market, 1997b).

International

According to the World Gold Council's latest *Gold Demand Trends*, world gold demand fell 3.7% during 1996 compared to demand in the same period in 1995. Although demand in 1996 rose 1% for the total developing countries market, aggregate demand in China, Taiwan, and Hong Kong declined 13% from the previous year (Platt's Metals Week, 1997b).

On March 10, Placer Dome Inc.'s Musselwhite gold mine in northern Ontario poured its first gold bar. Musselwhite is expected to produce 200,000 troy ounces of gold annually for 10 years (American Metal Market, 1997a).

Rebel forces occupying most of eastern Zaire said that the Bunia gold mine had resumed production. See *Precious Metals in December 1996*. Substantial mineral reserves, mostly gold, lie in the stretch of eastern Zaire controlled by rebels of Laurent Kabila's Alliance of Democratic Forces for the Liberation of Congo-Zaire (American Metal Market, 1997c).

The Swiss Government and the Swiss National Bank plan to create a humanitarian fund by re-valuing official gold reserves. This \$5 billion fund will help victims of the holocaust (World War II) and will be partly financed by the sale of 400 metric tons of gold over 10 years from Swiss National Bank gold reserves. Currently, 2,583 tons of gold are in the Bank's reserves (Metal Bulletin, 1997a).

Update

Freeport-McMoRan Copper & Gold Inc. (FCX) reported on seven core holes drilled within the Busang II project area in East Kalimantan, Indonesia, in an attempt to confirm results obtained previously by Bre-X Minerals Ltd. (Bre-X). Analyses of these cores indicated insignificant amounts of gold. In addition, an independent mining consultant, Strathcona Mineral Services Ltd., determined that Busang was unlikely ever to be proven an economic gold deposit (Wall Street Journal, 1997).

The Premier of Western Australia signaled the possibility that a royalty on gold production will be introduced by the State in the near future. The Western Australian Government intends to raise about A\$70 million in 1997, which would suggest a royalty of A\$10 per ounce. Industry sources said any new tax would encourage the companies to high-grade their operations, which would permanently sterilize parts of their reserves (Metal Bulletin, 1997b).

Plans for the development of Sukhoi Log, thought to be Russia's biggest gold deposit, have been thrown into confusion by Russia's Supreme Arbitration Court, which ruled that the 1992 privatization of Lenzoloto, the company working the deposit, was invalid. The court said the most serious violation of the privatization process was the failure to give 51% of the shares to the workers at privileged prices, a standard procedure during privatization. This ruling could have broader implications for other privatized companies in Russia, particularly those in which foreign companies own significant equity (Financial Times, 1997).

The U.S. Defense Logistics Agency said its April 28 opening offer of platinum brought in bids ranging from 98% to 98.75 % of April 29's London PM fix price. The platinum has a purity of 99.95% (Platt's Metals Week, 1997a).

References Cited

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- Metal Bulletin, 1997a, Switzerland's plan to sell gold reserves hits market: Metal Bulletin, no. 8161, Mar. 13, p. 17.
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Publications on the Internet

Monthly, quarterly, and annual Minerals Information publications are now available through the World Wide Web (www). These publications include Mineral Commodity Summaries, Minerals Yearbook, Mineral Industry Surveys, and Metal Industry Indicators. To access Minerals Information publications, visit the Minerals Information home page at <http://minerals.er.usgs.gov/minerals>.

TABLE 1
MINE PRODUCTION OF RECOVERABLE GOLD AND SILVER IN THE UNITED STATES, BY STATE 1/

(Kilograms)

	Arizona	California	Montana	Nevada	Other States 2/	Total
Gold:						
1996: p/						
March	178	2,210	836	17,400	5,220	25,900
April	161	2,250	968	16,400	5,040	24,800
May	168	2,170	959	18,100	4,860	26,300
June	117	2,210	703	17,500	4,960	25,500
July	119	2,080	987	19,000	4,990	27,200
August	158	1,880	1,010	19,300	5,250	27,600
September	232	1,920	968	18,500	5,580	27,200
October	223	1,920	1,140	19,100	5,320	27,700
November	125	1,860	929	18,000	4,810	25,700
December	124	1,980	876	19,800	5,240	28,000
Jan.-Dec.	2,070	24,500	10,800	215,000	60,900	313,000
1997:						
January	W	1,840	839	18,400	5,310 r/	26,300 r/
February	W	1,840 r/	861	16,200 r/	5,160 r/	24,000 r/
March	W	1,880	861	19,100	5,260	27,100
Jan.-Mar.	W	5,560	2,560	53,600	15,700	77,500
	Arizona	California	Idaho	Nevada	Other States 3/	Total
Silver:						
1996: p/						
March	13,100	1,520	16,600	44,000	34,900	110,000
April	14,700	W	11,300	39,800	40,100	106,000
May	15,200	1,990	16,700	49,400	34,500	118,000
June	12,100	1,570	16,300	57,700	39,800	127,000
July	13,700	1,990	18,300	55,300	38,400	128,000
August	13,600	1,470	17,900	53,900	45,800	133,000
September	13,000	1,330	17,000	57,200	37,500	126,000
October	12,500	1,450	17,200	67,700	35,800	135,000
November	13,900	1,340	16,300	48,900	32,200	113,000
December	14,100	1,250	17,200	58,300	34,800	126,000
Jan.-Dec.	167,000	16,800	194,000	617,000	441,000	1,440,000
1997:						
January	11,200 r/	1,120	17,200	64,600	35,600	130,000 r/
February	7,910 r/	1,090 r/	17,200	46,200 r/	36,700 r/	109,000 r/
March	14,000	1,390	17,200	61,600	33,700	128,000
Jan.-Mar.	33,100	3,600	51,600	172,000	106,000	367,000

p/ Preliminary. r/ Revised. W Withheld to avoid disclosing company proprietary data; included with "Other States."

1/ Data are rounded to three significant digits; may not add to totals shown.

2/ Includes Alaska, Colorado, Idaho, New Mexico, South Carolina, South Dakota, Utah, Wisconsin, and State indicated by symbol "W."

3/ Includes Alaska, Colorado, Michigan, Missouri, Montana, New Mexico, New York, South Carolina, South Dakota, Utah, Wisconsin, and State indicated by symbol "W."

TABLE 2
SELECTED PRECIOUS METAL PRICES

(Dollars per troy ounce)

	Gold	Silver	Platinum	Palladium
Engelhard Industries:				
1996:				
Year:				
Low/date	368.67 (Dec. 03)	4.67 (Dec. 03)	368.00 (Dec. 16)	117.00
High/date	391.06 (Aug. 05)	5.82 (Feb. 02)	433.00 (Feb. 05)	146.00
Average	389.17	5.20	397.97	130.39
1997:				
February:				
Low/date	338.92/12	4.85/06	350.00/03	128.00
High/date	361.26/27	5.30/28	393.00/27	161.00
Average	347.95	5.10	365.57	141.26
March:				
Low/date	347.29/26	5.04/31	371.00/31	145.00
High/date	363.42/03	5.30/14	391.00/03	163.00
Average	352.42	5.03	368.70	139.55
April:				
Low/date	340.47/29	5.02/02	383.00/21	150.00
High/date	352.30/02	4.70/15	364.00/08	164.00
Average	350.73	4.96	369.61	143.73
Year to date:				
Low/date	338.92 (Feb. 12)	4.65 (Jan. 08)	350.00 (Feb. 03)	122.00
High/date	367.82 (Jan. 01)	5.30 (Mar. 14)	393.00 (Feb. 27)	163.00
Average	352.15	4.94	363.08	133.00
Handy and Harman:				
1996:				
Average	387.81	5.18	XX	XX
1997:				
February	346.71	5.09	XX	XX
March	351.67	5.19	XX	XX
April	344.47	4.77	XX	XX
Year to date	349.49	4.95	XX	XX
London Final:				
1996:				
Average	387.70	5.20	XX	XX
1997:				
February	347.58	5.07	XX	XX
March	351.80	5.21	XX	XX
April	344.47	4.77	XX	XX
Year to date	349.74	4.96	XX	XX
XX Not applicable.				

Source: Platt's Metals Week.

TABLE 3
U.S. IMPORTS AND EXPORTS OF GOLD, BY COUNTRY 1/

(Kilograms of gold content, unless otherwise specified)

Country	Ores and concentrates 2/	Dore and precipitates	Refined bullion 3/	Total	Waste and scrap 4/ (gross weight)
Imports for consumption:					
1996:	3,460	11,900	143,000	159,000	13,000
1997:					
January	309	785	12,500	13,600	1,020
February:					
Brazil	--	--	2,620	2,620	--
Canada	--	204	5,360	5,560	85
Chile	11	972	700	1,680	--
Colombia	--	--	434	434	35
Dominican Republic	--	--	2	2	124
Mexico	232	611	108	951	228
Netherlands Antilles			120	120	
Peru	--	--	278	278	--
Switzerland	--	--	1,260	1,260	--
United Kingdom	--		1,540	1,540	
Other	--	26	225	251	186
Total	243	1,810	12,700	14,700	658
Year to date	552	2,600	25,100	28,300	1,680
Exports:					
1996:	374	65,100	406,000	471,000	89,900
1997:					
January	4	4,840	9,380	14,200	4,760
February:					
Canada	19	678	7,750	8,450	1,950
France	--	--	--	--	982
Germany	76	--	512	588	54
Hong Kong	--	--	1,510	1,510	--
Korea, Republic of	--	--	997	997	--
Mexico	1	--	484	485	--
Switzerland	--	2,040	6,390	8,420	--
United Kingdom	1	1,230	4,870	6,100	465
Other	--	5	700	705	426
Total	97	3,950	23,200	27,300	3,880
Year to date	101	8,790	32,600	41,500	8,650

1/ Data are rounded to three significant digits; may not add to totals shown.

2/ Includes gold content of base metal ores, concentrates, and matte imported for refining.

3/ Bullion also moves in both directions between U.S. markets and foreign stocks on deposit in the Federal Reserve Bank. Monetary gold excluded.

4/ "Waste and scrap" not included in "Total."

Source: Bureau of the Census.

TABLE 4
U.S. IMPORTS AND EXPORTS OF SILVER, BY COUNTRY 1/

(Kilograms of silver content, unless otherwise specified)

Country	Ores and concentrates 2/	Dore and precipitates	Refined bullion	Total	Waste and scrap 3/ (gross weight)
Imports for consumption:					
1996:	153,000	281,000	2,580,000	3,010,000	1,780,000
1997:					
January	2,140	34,400 r/	205,000	241,000	113,000
February:					
Canada	449	24,900	60,700	86,000	34,700
Chile	--	--	2,000	2,000	770
Dominican Republic	--	--	--	--	902
Germany	--	--	--	--	1
Malaysia	--	--	--	--	36,500
Mexico	12,400	586	63,900	76,800	728
Netherlands	--	--	--	--	--
Peru	--	--	16,000	16,000	--
Philippines	--	--	--	--	8,150
Portugal	--	--	--	--	1,010
United Kingdom	--	--	--	--	17,800
Other	--	25	75	100	342
Total	12,800	25,500	143,000	181,000	101,000
Year to date	15,000	59,900	347,000	422,000	214,000
Exports:					
1996:	1,510	43,300	2,900,000 4/	2,950,000	1,280,000
1997:					
January	80	5,280	52,900	58,200	70,800
February:					
Belgium	--	--	--	--	7,930
Brazil	--	459	--	459	--
Canada	11,600	--	30	11,600	39,000
China	--	805	--	805	9,530
France	--	--	--	--	345
Germany	--	--	--	--	1,390
Hong Kong	--	--	--	--	37
India	--	--	--	--	267
Israel	55	--	--	55	27
Italy	--	--	--	--	384
Japan	--	40	37,300	37,400	22,900
Peru	--	--	3,980	3,980	--
Sweden	--	--	--	--	4,100
Switzerland	--	282	--	282	--
Taiwan	--	6,590	--	6,590	50
United Kingdom	--	1,210	--	1,210	1,040
Other	--	--	55	55	21
Total	11,600	9,380	41,400	62,400	87,000
Year to date	11,700	14,700	94,200	121,000	158,000

r/ Revised.

1/ Data are rounded to three significant digits; may not add to totals shown.

2/ Includes silver content of base metal ores, concentrates, and matte imported for refining.

3/ "Waste and scrap" not included in "Total."

4/ Verification of Bureau of the Census exports was not possible for some months of 1996.

Source: Bureau of the Census.

TABLE 5
U.S. IMPORTS AND EXPORTS OF PLATINUM-GROUP METALS, BY COUNTRY 1/

(Kilograms of metal content, unless otherwise specified)

Country	Ores and concentrates	Waste and scrap (gross weight)	Refined					Osmium	Ruthenium
			Platinum	Palladium	Rhodium	Iridium			
Imports for consumption:									
1996:	1,960	5,060	73,700 2/	146,000	9,650	1,810		329	15,600
1997:									
January	--	181	6,480	7,420	808	271		--	1,670
February:									
Belgium	--	--	145	680	--	--		--	--
Canada	--	96	8	291	--	--		--	--
France	--	34	--	--	31	--		--	--
Germany	--	13	365	188	21	7		--	--
Japan	--	--	--	671	--	--		--	--
Norway	--	--	11	322	--	--		--	--
Russia	--	--	942	6,190	31	--		--	--
South Africa	--	--	3,220	1,270	731	38		--	722
Switzerland	--	--	177	722	119	--		--	72
United Kingdom	--	60	2,230	1,120	271	143		--	105
Other	--	111	102	84	--	--		--	--
Total	--	314	7,210	11,500	1,200	188		--	899
Year to date	--	5,060	13,700	19,000	2,010	271		--	2,570
Exports:									
1996:	484	8,640	12,700	26,700	196	123 3/			
1997:									
January	116	990	915	2,720	1	27 3/			
February:									
Belgium	--	55	162	387	--	--			
Canada	--	1	48	80	--	1 3/			
France	--	--	4	102	--	--			
Germany	23	70	38	165	--	--			
Hong Kong	--	--	--	20	--	--			
Ireland	--	--	67	69	2	--			
Japan	--	136	44	220	1	2 3/			
Korea, Republic of	--	--	2	94	2	--			
Mexico	--	--	2	577	--	--			
Netherlands	--	--	19	190	--	--			
South Africa	--	--	--	339	--	--			
Switzerland	28	--	3	119	--	--			
Taiwan	--	--	1	157	--	1 3/			
United Kingdom	10	280	122	320	--	1 3/			
Other	2	12	17	83	2	--			
Total	63	554	529	2,920	7	5 3/			
Year to date	179	1,540	1,440	5,650	8	32			

1/ Data are rounded to three significant digits; may not add to totals shown.

2/ Of this amount, 2,070 kilograms was in the form of platinum coins.

3/ Includes osmium and ruthenium.

Source: Bureau of the Census.